GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2897
ANSWERED ON:02.12.2016
Deposits in PACS
Premachandran Shri N.K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued notice to the Primary Agricultural Credit Societies (PACS)/other credit societies seeking information about the deposits above Rs. 25 lakhs by their respective members;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government has found any malpractices by the PACS/other credit societies on the above matter; and

(d) if so, the details thereof and the action taken against such societies by the Government?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): Department of Revenue has reported that action against tax evasion cases is an on-going process. Such action under direct taxes laws includes collection of information for investigation by issuance of statutory notices in large number of cases. However, notices to Primary Agricultural Credit Societies (PACS)/other credit societies as a special class have not been issued in the recent past.
Further, PACS are Cooperative Societies and the same is a State Subject under Entry 32 of the State List of Seventh Schedule of the Constitution of India. PACS do not come under the regulatory purview of Reserve Bank of India (RBI).